

**The Sumitomo Trust & Banking Co., Ltd.**

**NEW YORK BRANCH**

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January 12, 2004

Office of International Corporate Finance  
Division of Corporate Finance  
Securities and Exchange Commission  
450 Fifth Street, N.W.  
Washington, D.C. 20549  
U.S.A.

**PROCESSED**

**JAN 21 2004**

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FINANCIAL**

The Sumitomo Trust and Banking Company, Limited  
Information Furnished Pursuant to  
12g3-2(b) Under the Securities Exchange Act of 1934  
File No.: 82-4617

**SUPPL**

Ladies and Gentlemen:

The Sumitomo Trust and Banking Company, Limited, a bank organized as a joint stock company under the laws of Japan (the "Bank"), pursuant to Rule 12g3-2(b) under the Securities Exchange Act of 1934, as amended (the "Act"), hereby furnishes the following documents to the Commission:

**Notice Regarding Interim Report of Six Months Ended September 30, 2003**

All information and documents submitted herewith are being furnished under Rule 12g3-2(b)(1) with the understanding that such information and documents will not be deemed to be "filed" with the Commission or otherwise subject to the liabilities of Section 18 of the Act, and that neither this letter nor the furnishing of such information and documents shall constitute an admission for any purpose that the Bank is subject to the Act.

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Please acknowledge receipt of this letter by stamping the enclosed receipt copy and returning it in the enclosed postage-paid envelope.

Very truly yours,

The Sumitomo Trust and  
Banking Company, Limited

By Naoya Takeuchi

Name : Naoya Takeuchi

Title: Joint General Manager

Insurance and  
Financial Products

Financial Services



Real Estate

The Sumitomo Trust & Banking Co., Ltd.

# 2003 INTERIM REPORT

Six Months Ended September 30, 2003

Wholesale  
Financial Services

Retail Financial Services

# Consolidated Financial Highlights

	Billions of Yen			Millions of U.S. Dollars
	Sep. 30,2003	Sep. 30,2002	Mar. 31,2003	Sep. 30,2003
<b>Results for the (Half) Year</b>				
Total Income	270.6	301.1	565.4	2,433
Total Expenses	198.3	290.2	691.9	1,783
Income(Loss) before Income Taxes	72.2	10.8	(126.4)	650
Net Income(Loss)	40.9	5.2	(72.9)	368
<b>Balance Sheet</b>				
Total Assets (Banking Account)	15,081.0	17,475.9	15,779.7	135,560
Loans	8,992.9	8,983.7	9,143.1	80,836
Securities	3,746.2	5,184.0	3,458.2	33,675
Total Assets (Trust Account)	51,631.5	51,746.0	52,616.1	464,104
Loans	1,499.7	1,874.2	1,761.9	13,481
Securities	5,363.1	3,878.8	4,476.0	48,209
Stockholders' Equity	719.6	691.3	627.8	6,469
Total Employable Funds *	35,567.4	37,217.8	37,809.5	319,707
Deposits	9,806.8	10,508.1	10,248.0	88,152
Money Trusts	18,943.9	18,762.3	20,108.2	170,282
Pension Trusts	5,187.7	5,586.9	5,477.8	46,631
Property Formation Benefit Trusts	11.1	11.6	11.5	100
Loan Trusts	1,617.7	2,348.7	1,963.8	14,542
<b>Per Share</b>				
	Yen			U.S. Dollars
Net Income(Loss)	28.09	3.60	(50.80)	0.25
Cash Dividends (Preferred Share)	—	—	6.08	—
Cash Dividends (Common Share)	—	—	3.00	—
Stockholders' Equity	424.98	406.75	361.44	3.82
<b>BIS Capital Adequacy Ratio</b>				
	%			
Tier I Capital Ratio	12.10	11.56	10.48	
	6.66	6.54	6.09	

Note : Total Employable Funds are shown on a non-consolidated basis.

# Consolidated Statements of Operations

	Millions of Yen			Millions of U.S. Dollars
	Six Months Ended Sep. 30, 2003 (unaudited)	Six Months Ended Sep. 30, 2002	Year Ended Mar. 31, 2003	Six Months Ended Sep. 30, 2003
<b>Income</b>				
Trust Fees	31,627	26,618	71,382	284
Interest Income :	107,363	142,798	270,666	965
Interest on Loans and Discounts	61,555	67,803	132,691	553
Interest and Dividends on Securities	42,904	66,187	122,966	386
Other Interest Income	2,903	8,807	15,007	26
Fees and Commissions	33,203	27,429	59,445	298
Trading Revenue	3,008	5,092	8,094	27
Other Operating Income	60,227	79,732	123,267	541
Other Income	35,226	19,450	32,560	317
<b>Total Income</b>	<b>270,657</b>	<b>301,122</b>	<b>565,416</b>	<b>2,433</b>
<b>Expenses</b>				
Interest Expenses :	58,668	66,299	119,054	527
Interest on Deposits (including CDs)	16,423	23,340	42,793	148
Interest on Borrowings and Rediscounts	1,710	1,304	3,031	15
Other Interest Expenses	40,533	41,653	73,229	364
Fees and Commissions	8,239	9,032	23,353	74
Trading Expenses	—	—	478	—
Other Operating Expenses	24,031	69,214	118,963	216
General and Administrative Expenses	66,545	68,094	135,147	598
Other Expenses	40,902	77,618	294,912	368
<b>Total Expenses</b>	<b>198,386</b>	<b>290,259</b>	<b>691,909</b>	<b>1,783</b>
<b>Income (Loss) before Income Taxes</b>	<b>72,270</b>	<b>10,862</b>	<b>(126,493)</b>	<b>650</b>
Provision for Income Taxes :				
Current	532	581	1,028	5
Deferred	28,932	3,759	(57,483)	260
Minority Interests in Net Income	1,843	1,305	2,927	17
<b>Net Income (Loss)</b>	<b>40,961</b>	<b>5,216</b>	<b>(72,967)</b>	<b>368</b>
<b>Net Income (Loss) per Share</b>				
	28.09	3.60	(50.80)	0.25

# Consolidated Statements of Cash Flows

	Millions of Yen			Millions of U.S. Dollars
	Six Months Ended Sep. 30, 2003 (unaudited)	Six Months Ended Sep. 30, 2002	Year Ended Mar. 31, 2003	Six Months Ended Sep. 30, 2003
<b>Cash Flows from Investing Activities :</b>				
Purchases of Securities	(3,422,963)	(6,232,412)	(8,816,946)	(30,768)
Proceeds from Sale of Securities	2,754,765	5,365,478	8,674,149	24,762
Proceeds from Redemption of Securities	620,642	709,236	1,428,656	5,579
Increase in Money Held in Trust	(0)	(36,000)	(36,000)	(0)
Decrease in Money Held in Trust	—	—	94,241	—
Purchases of Premises and Equipment	(1,320)	(2,626)	(5,593)	(12)
Proceeds from Sale of Premises and Equipment	2,587	782	2,096	23
Purchases of Stock of Consolidated Subsidiaries	—	—	(387)	—
<b>Net Cash Provided by (Used in) Investing Activities</b>	<b>(46,288)</b>	<b>(195,539)</b>	<b>1,340,216</b>	<b>(416)</b>
<b>Cash Flows from Financing Activities :</b>				
Proceeds from Subordinated Borrowings	10,000	25,500	78,500	90
Payments of Subordinated Borrowings	—	(60,000)	(60,000)	—
Proceeds from Subordinated Bonds and Convertible Bonds	97,009	21,348	21,348	872
Redemption of Subordinated Bonds and Convertible Bonds	—	(8,000)	(148,726)	—
Proceeds from Issuance of Stock to Minority Shareholders	—	800	800	—
Cash Dividends Paid	(5,131)	(7,982)	(7,983)	(46)
Cash Dividends Paid to Minority Shareholders	(1,305)	(1,324)	(2,645)	(12)
Purchases of Treasury Stock	(30)	(48)	(130)	(0)
Proceeds from Sale of Treasury Stock	1	—	—	0
<b>Net Cash Provided by (Used in) Financing Activities</b>	<b>100,542</b>	<b>(29,706)</b>	<b>(118,838)</b>	<b>904</b>
<b>Effect on Exchange Rate Changes on Cash and Cash Equivalents</b>	<b>(27)</b>	<b>(2,934)</b>	<b>(2,828)</b>	<b>(0)</b>
<b>Net Change in Cash and Cash Equivalents</b>	<b>(284,504)</b>	<b>(376,016)</b>	<b>(182,788)</b>	<b>(2,557)</b>
<b>Cash and Cash Equivalents at Beginning of Year</b>	<b>481,726</b>	<b>664,515</b>	<b>664,515</b>	<b>4,330</b>
<b>Cash and Cash Equivalents at End of (Half) Year</b>	<b>197,221</b>	<b>288,498</b>	<b>481,726</b>	<b>1,773</b>

flows from capital collection and interest receipt could be reasonably estimated, a reserve is provided for the difference between the present value of expected future cash flows discounted at the contracted interest rate before relaxing to support and the present book value of the claims.

For claims that are classified to the categories other than above, general reserve is provided based on the historical loan loss ratio.

The reserve for loans to borrowers in specific foreign countries is provided based on expected losses due to the political and economic situation of those countries.

All claims are assessed by the responsible branches and credit supervision divisions based on the internal rules for self-assessment of asset quality. The Risk Management Department, which is independent from branches and credit supervision divisions, subsequently conducts their audits of their assessments, and the reserve is adjusted to reflect the audit results.

And for claims to debtors who are legally bankrupt or virtually bankrupt with collateral or guarantees, the expected uncollectible amount, net of amounts expected to be collected through the disposal of collateral or execution of guarantees, are deducted directly out of the original amount of claims. The deducted amount is 121,573 millions of yen.

For the consolidated subsidiaries, the reserve for possible loan losses is provided based on the historical loan-loss-ratio for ordinary claims, and based on the amount expected to be uncollectible for each specific claim respectively.

#### 5. Reserve for Employee Retirement Benefits

Reserve for employee retirement benefits is provided based on the projected benefit obligation and the fair value of the plan assets at the balance sheets date.

Prior service cost is recognized in expenses using the straight-line method over the average of the estimated service lives (10 years). Net actuarial loss is recognized in expenses using the straight-line method over the average expected remaining service lives (10 years).

Unrecognized net transition obligation arising from the initial adoption of a new accounting standard, amounting to 17,503 millions of yen, is amortized straight-line basis primarily over five years. For this interim period, one-tenth of such amount is stated as expense.

#### 6. Hedge Accounting

The Bank manages interest rate risk arising from various assets and liabilities, such as loans, bills discounted, deposits, etc., by using financial derivative transactions and applies deferred hedge accounting. For previous periods, the Bank adopted "Macro Hedge Accounting" as a whole hedge accounting method, in accordance with the temporary treatment regulated by "Treatment for Accounting and Auditing of Application of Accounting Standard for Financial Instruments in Banking Industry" (JICPA Industry Auditing Committee Report No.24, hereafter "Report No. 24"). From this period, the Bank adopts the main rule of Report No. 24. As for cash-flow-hedge, the effectiveness of the hedge is assessed by confirming the correlation between the fluctuational factor of interest rate for hedged items and for hedge transactions. The main rule of Report No.24 requires that some transactions, which used to be applied "Macro Hedge Accounting", be discontinued the hedge accounting.

Deferred hedge income (losses) based on "Macro Hedge Accounting", which is included in "Other Assets" and "Other Liabilities" on the balance sheets, is amortized according to remaining period for each hedge transaction. Deferred hedge losses and income based on "Macro Hedge Accounting" are 281,514 millions of yen and 270,754 millions of yen respectively.

The Bank manages foreign exchange risk arising from various assets and liabilities denominated in foreign currencies by using financial derivative transactions and applies deferred hedge accounting. For previous periods, on currency swaps and foreign exchange swaps entered in for the purpose of funding foreign currencies, the Bank adopted the temporary treatment regulated by "Treatment for Accounting and Auditing

# Statements of Trust Account

(Unaudited)

	Millions of Yen			Millions of U.S. Dollars
	Sep. 30,2003	Sep. 30,2002	Mar. 31,2003	Sep. 30,2003
<b>Assets</b>				
Loans and Bills Discounted	1,499,722	1,874,215	1,761,904	13,481
Investment Securities	5,363,196	3,878,888	4,476,065	48,209
Money Held in Trust	37,971,904	39,733,028	39,465,647	341,320
Securities Held in Custody Accounts	880	1,843	1,188	8
Securities Lent	—	4,800	—	—
Money Claims	3,162,319	2,706,162	3,223,012	28,425
Premises and Equipment	2,047,854	1,759,439	1,968,312	18,408
Other Claims	66,426	108,428	72,290	597
Loans to Banking Account	1,358,198	1,522,463	1,477,346	12,209
Cash and Due from Banks	161,058	156,806	170,363	1,448
<b>Total Assets</b>	<b>51,631,561</b>	<b>51,746,076</b>	<b>52,616,131</b>	<b>464,104</b>
<b>Liabilities</b>				
Money Trusts	18,943,918	18,762,344	20,108,266	170,282
Pension Trusts	5,187,752	5,586,923	5,477,868	46,631
Property Formation Benefit Trusts	11,137	11,684	11,515	100
Loan Trusts	1,617,789	2,348,740	1,963,838	14,542
Securities Investment Trusts	6,784,070	7,505,967	6,804,661	60,980
Money Entrusted, other than Money Trusts	3,231,977	2,996,449	3,215,853	29,051
Securities Trusts	9,107,795	8,757,819	8,430,286	81,868
Money Claim Trusts	2,836,827	2,324,121	2,868,189	25,500
Equipment Trusts	4,590	6,487	5,925	41
Land and Fixtures Trusts	186,987	196,263	190,265	1,681
Other Trusts	3,718,716	3,249,274	3,539,459	33,427
<b>Total Liabilities</b>	<b>51,631,561</b>	<b>51,746,076</b>	<b>52,616,131</b>	<b>464,104</b>



## Reserves

(1) Banking Account	Millions of Yen			Millions of U.S. Dollars
	Sep. 30,2003	Sep. 30,2002	Mar. 31,2003	Sep. 30,2003
Reserve for Possible Loan Losses :				
General Reserve	78,397	83,961	88,243	705
Specific Reserve	34,917	80,098	49,915	314
Reserve for Loans to Borrowers in Specific Foreign Countries	538	1,081	900	5
<b>Total</b>	<b>113,853</b>	<b>165,141</b>	<b>139,060</b>	<b>1,023</b>

## (2) Guaranteed Trust Account

Reserve for Possible Impairment of Principal (Loan Trusts)	10,075	15,191	12,003	91
Reserve for Possible Impairment of Principal (JOMT)	674	937	844	6
<b>Total</b>	<b>10,749</b>	<b>16,128</b>	<b>12,847</b>	<b>97</b>

## Credit Costs

(1) Banking Account	Millions of Yen			Millions of U.S. Dollars
	Six Months Ended Sep. 30,2003	Six Months Ended Sep. 30,2002	Year Ended Mar. 31,2003	Six Months Ended Sep. 30,2003
Provision for General Reserve	(9,526)	461	5,058	(86)
Expenses Relating to Problem Loans	17,354	4,940	62,531	156
Claims Write-Offs	8,552	5,575	40,669	77
Provision for Specific Reserve	6,968	(1,892)	4,798	63
Losses on Sale of Loans in Bulk	(14)	1,181	16,731	(0)
Provision for Reserve for Borrowers in Specific Foreign Countries	(191)	(60)	(220)	(2)
Others	2,039	137	554	18
<b>Total</b>	<b>7,828</b>	<b>5,402</b>	<b>67,590</b>	<b>70</b>

## (2) Guaranteed Trust Account

Claims Write-Offs	2,051	14,896	17,516	18
Losses on Sale of Loans to CCPC	—	1,386	1,667	—
Losses on Sale of Loans in Bulk	188	231	1,125	2
<b>Total</b>	<b>2,239</b>	<b>16,514</b>	<b>20,308</b>	<b>20</b>
<b>Total Credit Costs</b>	<b>10,067</b>	<b>21,917</b>	<b>87,898</b>	<b>90</b>

### Notes :

- (1) Credit Costs in Banking Account are included in " Other Expenses " on the statements of operations.  
 (2) Credit Costs in Guaranteed Trust Account are reflected in " Trust Fees " after deduction of such costs.

# **BIS Capital Adequacy Ratio**

	Billions of Yen		
	Sep. 30,2003	Sep. 30,2002	Mar. 31,2003
Total Qualifying Capital	<b>1,380.3</b>	1,369.0	1,213.9
Tier I Capital	<b>760.0</b>	774.5	706.1
including: Net Unrealized Losses on Available-for-Sale Securities, Net of Tax	—	(23.7)	(11.2)
including: Non-cumulative Preferred Securities	<b>83.0</b>	83.0	83.0
Tier II Capital	<b>624.1</b>	597.4	511.3
Upper Tier II	<b>244.1</b>	290.1	197.0
Net Unrealized Gains on Available-for-Sale Securities, after 55% Discount	<b>33.6</b>	—	—
Revaluation Reserve for Land, after 55% Discount	<b>3.3</b>	4.2	4.1
General Reserve for Possible Loan Losses	<b>78.3</b>	83.9	88.2
Subordinated Debts and Others	<b>128.6</b>	201.9	104.5
Lower Tier II	<b>380.0</b>	307.2	314.3
Deducted Items	<b>3.7</b>	2.9	3.5
Total Risk-Adjusted Assets	<b>11,405.3</b>	11,840.3	11,580.8
On-Balance-Sheet	<b>10,259.3</b>	10,471.6	10,474.8
Off-Balance-Sheet	<b>1,086.4</b>	1,324.3	1,042.6
Market Risk Equivalent	<b>59.5</b>	44.3	63.3
Tier I Capital Ratio (%)	<b>6.66</b>	6.54	6.09
Total Capital Ratio (%)	<b>12.10</b>	11.56	10.48

*Note : Figures in this table are calculated on a consolidated basis in accordance with BIS guidelines.*

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## Subsidiaries and Affiliated Companies as of November 25, 2003

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### J A P A N

The Sumishin Shinko Company Limited  
Sumishin Business Service Company, Limited  
STB Personnel Service Co., Ltd.  
STB Investment Corporation  
Sumishin Loan Guaranty Company Limited  
Sumishin Guaranty Company Limited  
Japan TA Solution, Ltd.  
Sumishin Information Service Company Limited  
Sumishin Card Company, Limited  
Sumishin Realty Company, Limited  
STB Asset Management Co., Ltd  
STB Research Institute Co., Ltd.  
STB Leasing Co., Ltd.  
BUSINEXT CORPORATION  
Human Resource Management Service & Consulting Co., Ltd.  
Japan Trustee Services Bank, Ltd.  
Japan Trustee Information Systems, Ltd.

### O V E R S E A S

The Sumitomo Trust Finance (H.K.) Ltd.  
Sumitomo Trust and Banking (Luxembourg) S.A.  
STB Finance Cayman Ltd.  
STB Cayman Capital Ltd.  
STB Preferred Capital (Cayman) Ltd.  
Sumitomo Trust and Banking Co. (U.S.A.)

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